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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

04 October 2017

EXECUTIVE DIRECTOR BINGLE B. GUTIERREZ

Procurement Service (PS)
RR Road, Cristobal Street
Paco, Manila

mtk

OED 6 OCT 17 PM 4:42:42

Madam:

This pertains to the letter of Commission on Audit (COA) Chairperson Michael G. Aguinaldo advising this Department of the issuance of COA Memorandum No. 2017-016 dated September 25, 2017. Said Memorandum enjoins all Supervising Auditors and Audit Team Leaders to include in their Annual Audit Reports their findings/observations on the compliance by all agencies with Section 53(e)¹ of Republic Act No. 9184².

Attached is a copy of said COA Memorandum for your ready reference.

Very truly yours,

MYRNA S. CHUA
Assistant Secretary

¹ "SEC. 53. Negotiated Procurement. – Negotiated Procurement shall be allowed only in the following instances:

x x x

(e) Subject to the guidelines specified in the IRR, purchases of Goods from another agency of the Government, such as the Procurement Service of the DBM, which is tasked with a centralized procurement of commonly used Goods for the government in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989."

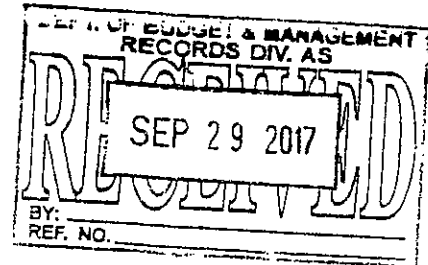
² Government Procurement Reform Act



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

September 20, 2017

Honorable BENJAMIN E. DIOKNO
Secretary
Department of Budget and Management
Boncodin Hall, General Solano Street,
San Miguel, Manila



Subject: Request for a letter of support advising COA auditors to include in their Annual Audit Reports (AARs) agencies' compliance with Section 53(e) of Republic Act (RA) No. 9184

Dear **Secretary Diokno:**

This has reference to your letter dated August 18, 2017 on the subject request, conformably with COA Memorandum No. 2011-014 dated July 20, 2011. The COA Memorandum enjoins auditors to include in the AARs of their audited agencies, findings/observations on non-compliance with Section 53e of RA No. 9184 on the requirement for agencies to procure their supplies through the Procurement Service (PS) – Department of Budget and Management (DBM).

In response to your request, this Commission has issued COA Memorandum No. 2017-016 of even date, copy attached.

Thank you and we look forward to a continuing partnership between our Offices.

Very truly yours,

MICHAEL G. AGUINALDO
Chairperson

ESZ/EPF/hbm-s
LSS-OGC-2017-09-001739
LAO 2017-481/COA issuance



COMMISSION ON AUDIT
OFFICE OF THE CHAIRPERSON



17-245809251544



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

NO.: 2017-016
DATE: SEP 25 2017

MEMORANDUM


TO : All Assistant Commissioners, COA Directors, Supervising Auditors, Audit Team Leaders of National Government Sector, Local Government Sector, Corporate Government Sector and All Others Concerned

SUBJECT: Reiteration of COA Memorandum No. 2011-014 dated July 20, 2011, re: Government procurement of supplies through the Procurement Service (PS), Department off Budget and Management (DBM)

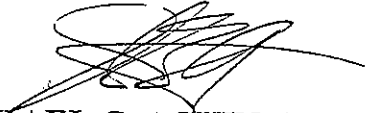
In view of the letter dated August 18, 2017 of Secretary Benjamin E. Diokno, DBM, all Supervising Auditors and Audit Team Leaders are hereby enjoined to include in their audit the determination of compliance by all agencies with Section 53(e)¹ of Republic Act (RA) No. 9184. The said provision requires procurement of commonly used Goods by government agencies through the PS of the DBM in accordance with Letter of Instruction No. 755 and Executive Order No. 359, series of 1989.

The auditors shall include in the Annual Audit Reports of their respective auditee the related observations and recommendations, if any, so that the appropriate sanctions may be imposed upon the responsible officials and employees in case of violation of the aforementioned provision of RA No. 9184.

For strict compliance.

 COMMISSION ON AUDIT
OFFICE OF THE CHAIRPERSON




MICHAEL G. AGUINALDO
Chairperson

¹ SEC. 53. Negotiated Procurement. – Negotiated Procurement shall be allowed only in the following instances:
xxx

(e) Subject to the guidelines specified in the IRR, purchases of Goods from another agency of the Government, such as the Procurement Service of the DBM, which is tasked with a centralized procurement of commonly used Goods for the government in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989.